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ENERGY AND COMMERCE COMMITTEE
RANKING MEMBER
SUBCOMMITTEE ON
TELECOMMUNICATIONS AND
THE INTERNET
RESOURCES COMMITTEE

Congress of the United States

House of Representatives
Washington, DC 20515-2107

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The Honorable Gregory H. Friedman
Inspector General
Department of Energy
1000 Independence Avenue S.W.
Washington, D.C. 20585

Dear Mr. Friedman:

I am writing to request that you immediately commence an investigation into allegations of waste, fraud and abuse brought against Lawrence Livermore National Laboratory (LLNL) by Ms. Michelle Doggett and Mr. Don Adrian. I believe that these allegations, if true, would indicate that the recent disclosures at Los Alamos National Laboratory (LANL) may represent just the tip of the iceberg of mismanagement, retaliation against whistleblowers, and other illegal activities that appear to be both tolerated and enabled by the laboratories, the University of California (UC, which manages and operates LLNL and LANL) and the Department of Energy (DOE).

Ms. Doggett worked at LLNL for 11 years ending in 1999 and has alleged the following:

- She first became aware of waste, fraud and abuse in the Energy, Manufacturing, and Transportation Technologies (EMATT) program at LLNL involving misappropriation of funds, falsification of records and other inappropriate activities in November 1995.
- She repeatedly brought her concerns to the attention of LLNL management, but she was discouraged from pursuing them further and no action was taken to resolve her concerns.
- She was directed by her supervisors to engage in activities that she believed may have been illegal, and was threatened with losing her job if she did not comply.
- She became an officially designated DOE whistleblower in January 1997, and was interviewed by the Audit and Oversight, Legal and Security divisions within LLNL. Once LLNL completed its investigation, it turned over its Administrative report to the individuals Ms. Doggett had accused of wrongdoing, which revealed Ms. Doggett's role as an informant in the investigation.
- She was retaliated against by these individuals, first with a reduction in professional responsibilities and exclusion from key meetings, and then with harassment, hostility, and threats to her spouse's job at LLNL. She was forced to take medical leave due to stress, and alleges that she was constructively discharged from the lab in 1999 after she repeatedly attempted to return to her original position in EMATT.

Mr. Don Adrian, formerly CEO of now-bankrupt Industrial Controls Corporation (ICON), has also made allegations against some of the same individuals at EMATT and LLNL management as Ms. Doggett. He alleges the following:

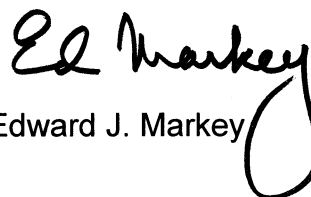
- That in 1996, Mr. Adrian began to suspect that EMATT personnel at LLNL had diverted almost half of the \$12 million in funds supposed to be used for its Cooperative Research and Development Agreement (CRADA) with ICON for other projects within LLNL.
- When Mr. Adrian repeatedly informed LLNL personnel and DOE management of this mis-use of funds, he was discouraged from continuing to pursue the matter and no action was taken to recover the funds.
- LLNL personnel then retaliated against ICON by intentionally submitting flawed software to the Department of Defense (DOD) as part of the CRADA requirements in order to undermine ICON's DOD contract, but shortly thereafter claimed ownership of a working version of the software that LLNL demonstrated to DOD secretly.
- The LLNL retaliation continued when LLNL made false allegations about ICON that led to an FBI investigation of ICON, which ultimately forced the company into bankruptcy even though it was eventually cleared of all wrongdoing.
- After ICON went bankrupt, LLNL obtained the DOD contract formerly held by ICON to pursue the technology.

These allegations, though they were independently made by different individuals, are strikingly similar, and, if true, provide additional reasons to remove the contracts for the operation of these laboratories from UC and take other appropriate disciplinary action against the officials allegedly responsible for these misdeeds. Consequently, I ask that you commence an investigation and provide me with a written response to the following questions:

- 1) Are the allegations of wrongdoing and whistleblower retaliation made by Ms. Doggett and Mr. Adrian true?
- 2) If so, what actions have been taken to address these allegations and impose appropriate sanctions or punishment on any LLNL, UC or other persons determined to be responsible for any fraud, mismanagement, or other malfeasance?
- 3) How much has LLNL/UC expended in legal fees associated with the complaints brought by Ms. Doggett and Mr. Adrian?
- 4) Has LLNL requested that these legal fees be reimbursed by DOE (and ultimately the US taxpayer), as is the case for approximately 95% of all legal fees incurred by the DOE laboratories? How much of these funds did DOE reimburse? Do you believe that it is appropriate for DOE to reimburse these funds, in light of the results of your investigation into the allegations themselves?

Thank you very much for your consideration of this important matter. If you have any questions or concerns, please have your staff contact Dr. Michal Freedhoff of my staff at 202-225-2836.

Sincerely,


Edward J. Markey